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Chair: Mr. Tommo Monthe ..... (Cameroon)
Vice-Chair of the Advisory Committee on Administrative and Budgetary Questions: Mr. Sene

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The meeting was called to order at 10.10 a.m.

Agenda item 136: Proposed programme budget for the biennium 2018–2019 (*continued*)

Strategic heritage plan of the United Nations Office at Geneva (A/72/7/Add.25 and A/72/521)

1. **Mr. Adams** (Director, Division of Administration, United Nations Office at Geneva), introducing the Secretary-General's fourth annual progress report on the strategic heritage plan of the United Nations Office at Geneva (A/72/521), said that during the reporting period progress had been made in planning, design, procurement and construction: the excavations started in April 2017 had been completed as planned; a construction contract for the new building had been awarded in September 2017, within the budget allowance, and work had started in October 2017; detailed design contracts for the renovation phase had been issued; the occupancy studies for the implementation of flexible workplace strategies, known at the Office as smart working, had been completed; physical, communications and technical barriers against persons with disabilities had been removed; and the schedule of work and contracting strategy had been refined.

2. The report contained an update on project financing, the cost plan and expenditure, including the formal agreement on and commencement of utilization of the interest-free loan from the host country of 400 million Swiss francs, which covered new construction and renovation under the project. As requested by the General Assembly, the Secretary-General was exploring alternative funding mechanisms to reduce the overall assessment on Member States. The United Nations had reached an agreement in principle for the long-term lease of the land plots of the Villa Feuillantines, which would yield an income of 25.6 million Swiss francs until 2021. Information on other potential funding mechanisms was set out in the report. The current annual rental income of the Office, the projected rental income from the relocation of the Office of the United Nations High Commissioner for Human Rights to the Palais des Nations campus and any further rental income from flexible workplace strategies would be applied to the Swiss loan repayments. That would not affect the proposed programme budget for the biennium 2018–2019 because the loan repayment would not start until 2020.

3. To transform the campus into a modern work environment equipped for the Organization's future needs and enable the implementation of flexible workplace strategies, cooling and ventilation systems should be included as additional requirements in the renovation to ensure that the premises were fit for purpose in a rapidly changing climate. The cost of such systems would be reduced if the renovated building was an open office environment that enabled smart working. To that end, estimated additional resources of between 40 and 50 million Swiss francs would be required. To avoid project delays, the Secretary-General had undertaken a feasibility study and would complete the detailed design work, including a funding proposal, before a decision was required from the General Assembly at its seventy-third session.

4. The new building would be constructed by the end of 2019. In 2018, the detailed design, technical design and tender documentation for the renovation of the historic buildings would be completed, and the procurement activities for the selection of a contractor to renovate those buildings would start.

5. The key decisions to be taken by the Assembly were set out in section VII of the report. Should the Assembly decide on a multi-year scheme of appropriation and assessment and approve the establishment of a special account, authorization was requested for the strategic heritage plan to access the working capital fund established under financial regulation 4.2 and the special account. The Assembly was also requested to take note of the Secretary-General's decision to implement smart working in the new building and request him to report, at the latest in his fifth annual progress report, on the feasibility study and design work for the implementation of smart working in the historic buildings, and to include a related funding proposal.

6. The Assembly was requested to approve the establishment of one new temporary P-5 position of Senior Procurement Officer, to be based in the Office of Central Support Services, effective 1 January 2018 for an initial period of one year, to be funded within existing project resources; authorize the funding, within the overall maximum project cost, of the consultancy services for 2018 for the valorization of United Nations land; and authorize the use of rental income at the United Nations Office at Geneva to offset the Member State appropriation for the repayment of the loan. Timely decisions by the Assembly would allow the project to proceed as planned and would secure the financing as the Organization entered into high-value multi-year construction contracts.

7. **Mr. Sene** (Vice-Chair of the Advisory Committee on Administrative and Budgetary Questions), introducing the related report of the Advisory Committee on Administrative and Budgetary Questions

(A/72/7/Add.25), said that, taking into consideration the tasks involved in the procurement exercise for the renovation phase and the existing capacity in the procurement team, the Advisory Committee recommended approval of the establishment of the position of Senior Procurement Officer in the Office of Central Support Services for an initial period of one year. While the smart working strategy could be implemented in the new building within the current budget allocation, the proposed installation of cooling or ventilation systems in the historic buildings would exceed the scope of the plan. The Advisory Committee was not convinced of the need for a different name for flexible workplace strategies in the United Nations Office at Geneva and expected those strategies to be implemented in the new building without delay within the current budget allocation. The Advisory Committee recommended against the installation of cooling or ventilation in the historic buildings, and the related feasibility study and design work. The Advisory Committee recommended approval of the proposal that valorization-related consultancy services should be funded from within the overall maximum cost of the project. It could not evaluate the proposal that rental income should be used to offset the Member State appropriation for the repayment of the loan, in the absence of data regarding the proposal's financial implications for the programme budget. The project should be kept on schedule to avoid cost overruns.

8. **Ms. Pereira Sotomayor** (Ecuador), speaking on behalf of the Group of 77 and China, said that the Group would seek further information regarding the efficiencies that would result from the changes in the project governance and oversight, and the steps taken to mitigate risk. It looked forward to detailed discussion of the start of the construction of the new building through an early works package, the conclusion of the construction procurement process and the award of the contract, the issuance of detailed design contracts for the renovation, and the removal of barriers against persons with disabilities.

9. The Group would seek further information regarding the steps taken to address the slippage in the schedule. The project timeline should be respected to mitigate cost escalation. The Group noted the smart working strategy, intended to allow 400 additional staff to be accommodated on the campus. While staff must be comfortable, in a well-ventilated, air-conditioned space with the best environmental practices, the project must remain within the budget estimates, particularly since most Member States faced constraints in meeting the increasing assessments. The Group was concerned because the base project costs had increased by 13.4 per cent, from 649,000,000 to 736,103,000 Swiss francs, and the decrease in contingencies from 108,470,000 to 70,845,000 Swiss francs had not resulted in a decrease in the overall project costs, which had remained at the same level. It would seek further information regarding the ways in which the cost increase would be absorbed within the approved resource levels. Bearing in mind the experience of previous major projects, the Group looked forward to considering the currency of appropriation and assessment, the establishment of a multi-year special account and the generation of valorization income.

10. **Mr. Velázquez Castillo** (Mexico) said that the United Nations had embarked on a process of change and would need to maximize efficiency in all areas of work and all offices. The strategic heritage plan must improve efficiency, inclusivity and environmental sustainability while respecting the Organization's guidelines on safety, accessibility and innovation. The implementation of the plan would require effective management and coordination to ensure compliance with the timelines and amounts approved in the schedule of works. The modernization of working practices must be reflected in the equitable assignment of workspace, the use of flexible workplace and smart working strategies, accessibility for persons with disabilities, gender equality, greater use of information technology and sustainable use of energy. The lessons learned from other United Nations infrastructure projects should be applied, particularly in valorization. The Committee must reach agreement on the scheme and currency of appropriation and assessment at the current session. Although progress had been made towards a modern, healthy and efficient workspace, scheduling and funding commitments must also be honoured.

11. **Ms. Norman Chalet** (United States of America) said that the resources dedicated to the plan should be transparently and effectively managed, and the project should be completed within the approved budget and timeline. Her delegation looked forward to discussing governance, risk management, space utilization, accessibility and financing arrangements to ensure that Member States continued to direct the project. In the interests of transparency and good governance, a separate account should be established for the project outside the regular budget. Any revenue from the leasing of United Nations property in Geneva should be used to ensure that the project financing remained within the approved amount. She thanked the Government of Switzerland for providing interest-free loans. The General Assembly at its seventieth session had provided a mandate to implement flexible workplace strategies, and she welcomed the efforts of the United Nations

Office at Geneva and the Office of Central Support Services to use space as efficiently as possible. The strategic heritage plan team should identify ways of modernizing the Palais to provide a more flexible workplace and increase capacity on the campus.

12. **Mr. Lauber** (Switzerland) said that construction work under the plan had started in 2017. Four years into the project, 100 million Swiss francs had been invested and Switzerland had started disbursing its zero-interest loan of 400 million Swiss francs. At the end of 2018, the mid-point of the project cycle would be reached. The benefits of the project would include lower maintenance and electricity expenses, cost avoidance, the optimization of the work environment, better use of space, additional revenue generation, which would allow the Organization and Member States to make substantial annual savings, and greater well-being and productivity. Obsolete infrastructure would be renovated, barriers against persons with disabilities would be removed and a modern, safe and secure work environment would be established. The approved overall cost, timeline, scope and quality targets had been respected, and his delegation commended the Office on the progress made. It was concerned, however, about certain changes in the details of the timeline and the cost of individual segments. Although changes were expected in large, unique projects, the Secretary-General should ensure that the plan was implemented within the budget, scope and schedule approved by Member States.

13. Alternative funding sources had been found with a view to lowering Member States' assessed contributions. In addition to the Swiss loan, land valorization would yield 25.6 million Swiss francs and donations of 23 million Swiss francs had been pledged. That would reduce the remaining net financing requirement during the project cycle to a third of the total cost. The General Assembly should agree on the financing arrangements for the plan at the current session in order to reap the benefits and avoid delays and additional costs, which could discourage staff, partners, contractors and donors.

Estimates in respect of special political missions, good offices and other political initiatives authorized by the General Assembly and/or the Security Council (continued)

Thematic cluster II: sanctions monitoring teams, groups and panels, and other entities and mechanisms (A/72/7/Add.12 and A/72/371/Add.2)

14. **Ms. Bartsiotas** (Controller), introducing the Secretary-General's report on estimates in respect of special political missions, good offices and other political initiatives authorized by the General Assembly and/or the Security Council under thematic cluster II: sanctions monitoring teams, groups and panels, and other entities and mechanisms (A/72/371/Add.2), said that the proposed resources for 2018 for the missions were $40.5 million, $2.9 million more than the approved resources for 2017. Part of the increase, in the amount of $1.6 million, related to the estimated requirements for the Organisation for the Prohibition of Chemical Weapons-United Nations Joint Investigative Mechanism, whose mandate, at the time of the report's preparation, had been expected to be renewed into 2018. The Security Council, however, had not renewed the mandate, which had expired in November 2017, and therefore the estimated resources of $4.8 million for the Mechanism were not required.

15. The remainder of the increase was attributable to the Panel of Experts on the Democratic People's Republic of Korea, because of new tasks mandated by the Security Council and security requirements; the Analytical Support and Sanctions Monitoring Team; the Implementation of Security Council resolution 2231 (2015), because of the application in 2018 of a lower vacancy rate for positions approved in 2017, and tasks mandated for those positions; and the Counter-Terrorism Committee Executive Directorate, because of new mandated tasks for which the establishment of six new posts was proposed. The increases were partly offset by reduced requirements for six other missions. The requirements, which would be charged against the provision of $1.1 billion proposed for special political missions under section 3, Political affairs, of the proposed programme budget for the biennium 2018–2019, did not include the resources for the Panel of Experts on Mali, which were the subject of a separate report of the Secretary-General (A/72/371/Add.6).

16. **Mr. Sene** (Vice-Chair of the Advisory Committee on Administrative and Budgetary Questions), introducing the related report of the Advisory Committee (A/72/7/Add.12), said that the six positions requested to cover additional tasks and new areas of expertise for the Counter-Terrorism Committee Executive Directorate included four Legal Officers (P-4), one Communications Officer (P-4) and one Political Affairs Officer (P-3). The Advisory Committee recommended approval of the P-4 positions. However, since the Executive Directorate had a total of five Political Affairs Officers in its Political Analysis and Research Cluster, the Advisory Committee considered

that the additional workload in the area of political affairs should be absorbed by the current staff, and recommended against the establishment of the new position of Political Affairs Officer. The Advisory Committee recommended that the Secretary-General's staffing proposals for 2018 should be approved, subject to the recommendations in paragraphs 13 and 16 of its report, and requested that detailed information regarding the reductions arising from its recommendations should be provided to the General Assembly.

17. **Mr. Yazdani** (Islamic Republic of Iran) said that his delegation attached great importance to special political missions, good offices and other political initiatives authorized by the General Assembly or the Security Council to help build sustainable peace. Missions must be allocated adequate resources to fulfil their mandates, and the level of resources approved by the Assembly must be commensurate with mandated programmes and activities to ensure their smooth and effective implementation. Strict financial discipline must be observed and the efficiency of utilization must be improved.

18. His delegation would seek clarification, in informal consultations, of the operational requirements related to the implementation of Security Council resolution 2231 (2015). The Committee's negotiations must be conducted in an open, inclusive and transparent manner rather than in small groups behind closed doors.

The meeting rose at 11 a.m.